To: Salera, Jerry@DOC[Jerry.Salera@conservation.ca.gov]

Cc: Turner, Justin@DOC[Justin.Turner@conservation.ca.gov]; Habel,

Rob@DOC[Rob.Habel@conservation.ca.gov]; Albright, David[Albright.David@epa.gov]; Dermer,

Michele[Dermer.Michele@epa.gov]

Bcc: Dermer, Michele[Dermer.Michele@epa.gov]

From: Robin, George

Sent: Mon 2/4/2013 9:02:37 PM

Subject: RE:(Inergy & Central - Demonstration) Request for Detailed Data

Hi Jerry,

Thanks for forwarding this dialogue.

We discussed this situation with Inergy last Friday, 2-1-13. There are a number of ways to determine the viability of Inergy's wells within Central Resources's waterflood. The difficulty is their present situation, which is probably a relatively unchanged, dynamic waterflood system, such that "positive benefits" are difficult to determine and/or differentiate from "negative effects" of Inergy's terminating their contribution, without having to actually realize them, which could be quite burdensome.

Please let me know if I am thinking correctly in this regard and especially if you all have differences of opinion because I lack your agency's experience in dealing with operators on this level.

- We discussed that perhaps a mass balance treatment with contribution from Central's records showing (1) their waterflood production decline curve and with it, there may be historic, comparatively recent changes in that decline that are attributable to documented changes in the waterflood. Hopefully, one or more of these changes may be offered as equivalent to the volume injected by Inergy (either an addition or a withdrawal of that amount) sufficient to show an example of decline response (demonstratinf either "decline" or "increase" of production on Inergy's part would constitute positive attribution); (2) demonstrate that Central's records account for the Total Waterflood injection volume (including Inergy's contribution), probably through Total produced water volumes minus Central's injection volumes; (3) at a minimum, a map with injector/producer spot pattern such that Inergy's wells fit into this waterflood pattern.
- The Inergy wells go so far back in history that their original "positive contribution" may no longer have bearing upon this present, dynamic state of the EOR system. Nevertheless it might be demonstrated that the termination of Inergy's injection could negatively affect the current dynamics.

We can discuss at your convenience. Thank you.

George Robin (robin.george@epa.gov) Engineer, Underground Injection Control

US EPA, Region IX Phone (415) 972-3532 75 Hawthorne St. Fax (415) 947-3549 Ground Water Office Mail Code: WTR-9 San Francisco, CA 94105 From: "Salera, Jerry@DOC" <Jerry.Salera@conservation.ca.gov>

To: Scott Jones <SJones@inergyservices.com>,

Cc: "Ann Trowbridge (atrowbridge@daycartermurphy.com)" <atrowbridge@daycartermurphy.com>,

"Turner, Justin@DOC" < Justin.Turner@conservation.ca.gov>, "Habel, Rob@DOC" < Rob.Habel@conservation.ca.gov>, George Robin/R9/USEPA/US@EPA, Debra Sovay

<dsovay@inergyservices.com>

Date: 02/04/2013 10:30 AM

Subject: RE: Request for Detailed Data

Hi Scott.

We will leave it up to Inergy and Central Resources to generate/analyze the data and/or develop a testing scheme to unequivocally prove that Inergy's wells are providing positive benefits to the nearby oil production in the area. Please ensure that these positive benefits cannot be attributable to Central Resources' own waterflood process. Thanks.

Jerry

From: Scott Jones [mailto:SJones@inergyservices.com]

Sent: Friday, February 01, 2013 11:50 AM

To: Salera, Jerry@DOC

Cc: Ann Trowbridge (atrowbridge@daycartermurphy.com); Turner, Justin@DOC; Habel,

Rob@DOC; George Robin; Debra Sovay **Subject:** RE: Request for Detailed Data

Hello Jerry,

Thank you for sending this response and including the direction of what you will need from Inergy and Central Resources, is there any specific tests that you would like us to perform on any specific wells either Inergy or Central Resources owned. I would like to make sure we coordinate exactly what is needed to meet the required data.

Thanks.

Scott E. Jones Inergy Services, Director Of Operations 661-765-4087 x1 (Office) 661-979-2020 (Cell) 661-765-1152 (Fax)

From: Salera, Jerry@DOC [mailto:Jerry.Salera@conservation.ca.gov]

Sent: Friday, February 01, 2013 9:50 AM

To: Scott Jones

Cc: Ann Trowbridge (atrowbridge@daycartermurphy.com); Turner, Justin@DOC; Habel,

Rob@DOC; George Robin

Subject: Request for Detailed Data

Hi Scott,

Please find attached our letter requesting for more detailed information to indicate that Inergy is operating a waterflood project in the North Coles Levee field.

Thanks and regards,

Jerry Salera

Underground Injection Control (UIC) Program CA Division of Oil, Gas and Geothermal Resources 801 K Street, MS 20-20 Sacramento, CA 95814

Tel: 916-323-1781 Fax: 916-323-0424

Jerry.Salera@conservation.ca.gov

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